

# Oxfam Australia

## Risk Management Policy

### 1. Purpose

The Risk Management Policy (Policy) sets out the principles and objectives of risk management at Oxfam Australia (OAU). OAU is committed to effectively managing risk across the organisation and fostering a culture where employees think about and manage risk as part of their day-to-day activities.

Risk is the effect, both positive and negative, of uncertainty on objectives and is present in all organisational processes. Managing risk is critical to the achievement of OAU's strategic objectives, as understanding uncertainties and identifying opportunities enables better informed decision making. As such, it is important that OAU identifies, assesses, treats and monitors the key areas of risk and opportunity on a proactive basis.

#### 1.1 Application

This Policy applies to all employees at OAU, as well as any individuals undertaking activity for or on behalf of our organisation.

#### 1.2 Objectives

The objectives of this Policy are to:

- Set the authorising environment for risk practices at OAU;
- Affirm the Board's approval of the Risk Appetite Statements, in consultation with the Executive Leadership Team (ELT);
- Define the key roles, responsibilities and accountabilities for risk management;
- Outline the risk management process;
- Articulate OAU's commitment to proactively identifying risks and opportunities, and integrating risk management into the strategic and organisational planning cycle, day-to-day operations and programs; and
- Guide all employees to operate within and apply OAU's risk management approach in practice.

### 2. Governance

#### 2.1 Roles and Responsibilities

All employees have the responsibility to incorporate risk management into day-to-day activities, in line with the risk management process articulated in this Policy. Refer to the table below for an overview of the risk management responsibilities at OAU.

Role	Key Risk Management Responsibilities
Board	Set the 'tone at the top', oversee the management of strategic risks and endorse key risk management artefacts.
Finance, Risk and Audit Committee (FRAC)	Provide oversight and advice to the Board and communicate with the CE on the effectiveness of risk management practices.
Chief Executive (CE)	Oversee the management of strategic risks and operational risks and controls. Operationalise the 'tone at the top'.
Executive Leadership Group/Team (ELG/ELT)	Identify and assess strategic risks as part of the annual strategic and organisational planning cycle. Develop and monitor controls and treatments, and report on key risks to the Board via FRAC.
Heads of Department/Managers/Program Managers	Report operational and program risks to the Risk Manager and consult with the ELG/ELT whilst maintaining operational and program risk registers on a routine basis.
Risk Manager	Support all front-line staff, including risk and control owners, to fulfil their risk management responsibilities.
Front-line Staff, Contractors and Volunteers	Identify, analyse, treat, regularly monitor, report, and escalate risks within their areas of responsibility.
Internal Audit	Independent evaluation of the adequacy and effectiveness of the control environment and compliance requirements.

For the detailed risk management responsibilities across these roles, refer to the Risk Management Framework (RMF).

## 2.2 Risk Culture

Risk management practices are most effective when supported by a positive organisational risk culture. Risk culture is the set of shared beliefs, values and behaviours that shapes OAU's approach to managing risk and making decisions.

OAU recognises the importance of developing and committing to a positive and engaging risk culture where risks support the achievement of strategic objectives, enable effective decision making and align with the Board-approved risk appetite.

## 2.3 Risk Appetite

Risk appetite is the amount and type of risk that OAU is willing to accept, retain or avoid in order to meet its strategic objectives. The Risk Appetite Statements (RAS) are reviewed by the ELT on an annual basis for approval by the Board as part of the strategic and organisational planning cycle. The RAS guide clear and informed decision making, and empower employees to take a considered approach when evaluating risk in the pursuit of agreed objectives.

For further information on risk appetite, refer to the RAS.

[Oxfam Australia's Overarching Risk Appetite Statement](#)

The Board has determined OAU's risk tolerance. OAU is expected to be able to identify and manage the risks associated with its activities and opportunities in an effective manner. Although it is acknowledged that OAU must at times undertake activities that carry significant risks.

## 3. Process

### 3.1 Risk Management Process

The approach to identify, analyse, evaluate, treat, monitor, and report on risks is in accordance with the 'AS/NZS ISO 31000:2018 Risk Management – Guidelines'. Risk management is ongoing, and processes are in place to review strategic, operational and program risks on a routine basis. At least annually, the ELT reviews and refreshes the strategic risk profile. This is coordinated with the strategic and organisational planning cycle to ensure risks associated with strategic objectives are considered.

To validate risks relevant to OAU, a consistent approach to risk identification and assessment is followed. Measures of consequence and likelihood to assess the risk have been defined and the risk action table determines the level of monitoring required. Risks are periodically reviewed and reported throughout the year to the Risk Manager, ELT, CE and the Board via FRAC.

For the detailed risk management process, refer to the RMF.

### 3.2 Risk Management Framework and Guide

This Policy is supported by the RMF and Risk Management Guide (RMG), which provide detailed guidance on risk principles and processes that support the effective and consistent management of risk throughout the organisation.

## 4. Policy Review

This Policy will be reviewed and approved on an annual basis, or when the need arises, by the Board via FRAC to ensure alignment with the achievement of OAU's strategic objectives.

## 5. Associated Key Policies

- OAU Board Risk Management Policy (BR015)
- OAU Risk Management Framework
- OAU Code of Conduct
- Oxfam Conflict of Interest Policy
- Oxfam Anti-Fraud and Corruption Policy
- Oxfam Terrorism Financing and Financial Crime Policy
- Oxfam Child Safeguarding Policy (Australian Context)
- Oxfam Digital Safeguarding Policy
- Oxfam Protection from Sexual Exploitation, Abuse & Harassment (PSEAH) Policy (Australian Context)
- Oxfam Youth Safeguarding Policy
- Oxfam Operational Handbook Countries & Regions

## 6. Version History

Version	Date	Author	Role	Summary of Changes
v1.1	25-Nov-2022	Risk Manager	FRAC Endorsed	Establishment of the Risk Management Policy
V1.1	9-Dec-2022	Risk Manager	Board Approved	Establishment of the Risk Management Policy
V1.2	28-May-2024	Risk Manager	FRAC Endorsed	Update of Associated Key Policies
V1.2	14 June 2024	Risk Manager	Board Approved	Update of Associated Key Policies